

**OFFICE OF THE GOVERNOR**  
**BUDGET AND PROGRAM PLANNING**  
STATE OF MONTANA

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09B-Memo 4  
3 Attachments

TO: Centralized Service Administrators of all State Agencies

FROM: David Ewer, Budget Director  
Office of Budget and Program Planning

DATE: February 13, 2006

SUBJECT: Vehicle Leasing Program- EPP

The Office of Budget and Program Planning encourages agencies with vehicle replacement needs to use the State Motor Pool. The Motor Pool alternative transfers an agency's responsibility for vehicle maintenance and management to the Motor Pool and guarantees safe, reliable vehicles. The vehicles may be new or used depending on the estimated yearly mileage and agency wide usage. The leasing agency is responsible for maximizing the vehicle utilization within the agency. If the vehicles are not getting the maximum usage, the Motor Pool may reassign an underutilized vehicle to another agency.

Attached to this memo are two surveys. Please complete the pre-populated Survey #1 for current leases. For new leased vehicle requests, please complete Survey #2 for EACH request and email both surveys to Christi Moyer at OBPP by **May 1, 2006**. This information will be used by the Motor Pool to prepare for the next biennium's equipment purchases. The third attachment is for information only and is a description of class codes.

The Motor Pool charges both an hourly and a per mile rate. The hourly rate will be established by the Motor Pool at a cost recovery level. Motor Pool management includes vehicle purchase and replacement, scheduled and unscheduled maintenance, liability insurance, and fuel.

The following FY 2006 rates are for reference only. The recommended 2009 biennium rates will be determined based on the number of lease vehicle requests received from this survey, and will be provided to agencies in August.

FY 2006 Rates			
Class	Description	(per hr)	(per mile)
02	Small Utilities	\$1.377	\$0.069
04	Large Utilities	1.856	0.081
06	Mid-Size Compact	1.196	0.048
07	Small Pickups	1.153	0.073
11	Large Pickups	1.521	0.095
12	Van, All Types	1.399	0.084

**Example:** If an agency requests a class 02 small utility and estimates 12,000 miles per year, the estimated cost would be  $(2,920 \text{ hrs} \times \$1.37/\text{hr}) + (12,000 \times \$0.069/\text{mile}) = \$4,804$  per year.

Agencies will need to identify FY 2006 actual expenditures for vehicle liability insurance, gas, maintenance, personal car mileage, or other related costs for vehicles approved for replacement. These amounts will be removed from the base.

Agencies with special requirements for the leased vehicles (e.g. heavy duty bumpers, cages, etc.) will be responsible for the costs associated with, maintaining, and disposing of such requirements.

**Keep in mind that lease vehicle requests should be justifiable and realistic.** Please contact Christi Moyer at OBPP for any follow-up questions.

C: John Blacker, Cheryl Richman